

Remarks

Objection to Drawings:

A substitute drawing is attached that addresses the Examiner's concern. In addition, the specification has been amended to remove references to "Figure 1."

It is Applicants' belief that the objections to the drawing and specification have been overcome and Applicants respectfully request withdrawal of the objections.

Rejections Under 35 USC §112

It is Applicants' belief that all rejections under §112, 2nd have been addressed by the current amendments.

For example, "private market portfolio" has been amended to "private investment portfolio" thus removing an inconsistency in the claim language. It is Applicants' intent that the terms are equivalent, and thus this amendment does not affect the scope of the claims.

All instances of lack of antecedent basis for claim terms has been addressed, again without affecting the scope of the pending claims.

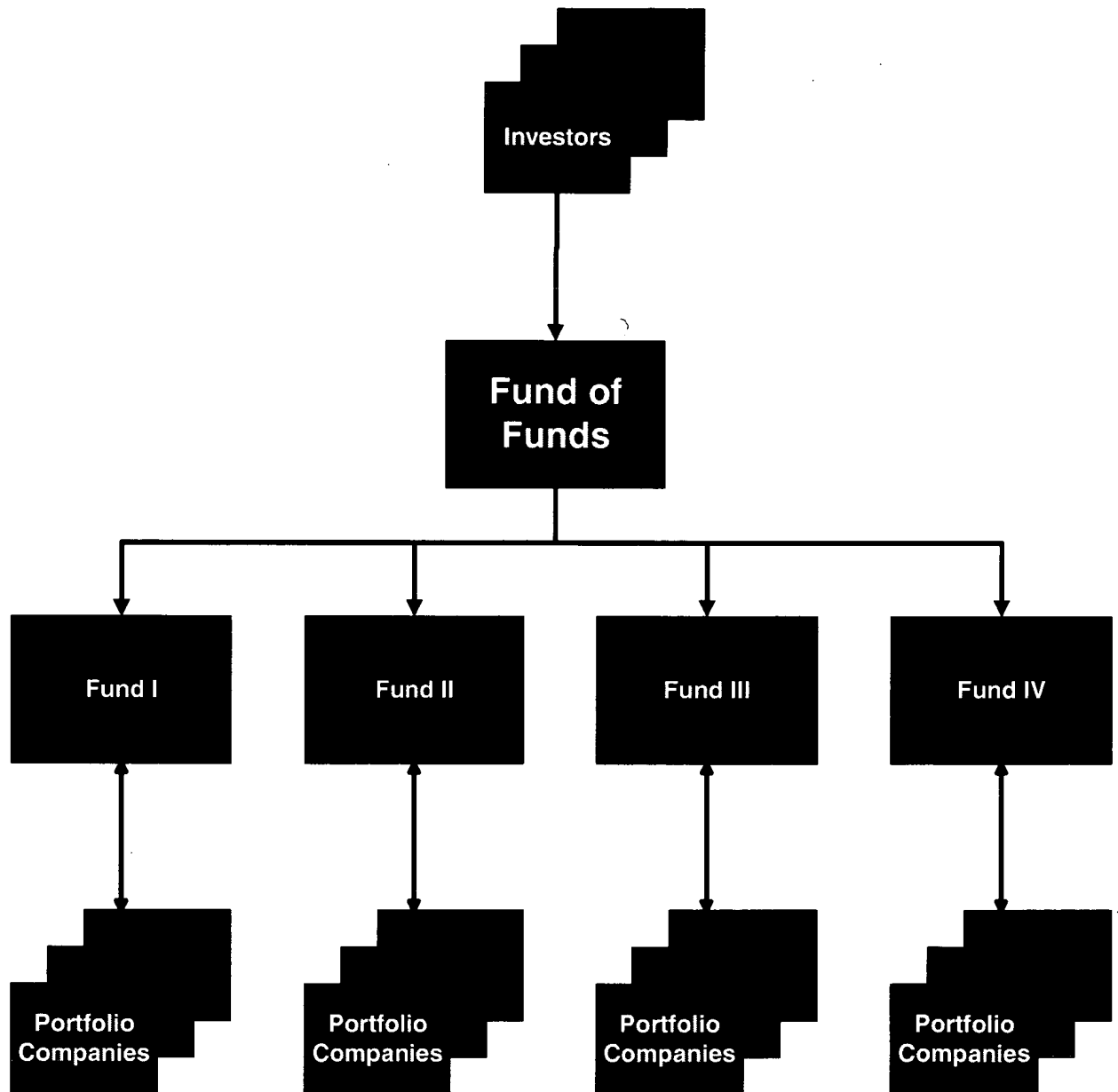
Regarding the definitions of x and y, Applicants submit that x and y are universally understood to indicate the variables as displayed on a Cartesian graph in which x, the independent variable, is on the horizontal axis and y, the dependent variable, is on the vertical axis. The values of x and y are undefined in the equation because they are variables. Applicants submit that those of skill in the art would clearly understand what is meant by x and y in the equation of a line as recited in the claims, and respectfully request that this rejection be withdrawn.

The amendment addresses the Examiner's concern regarding the determination of a value for R^2 in step (c). This amendment is for clarity only, and does not affect the scope of the claims in any way.

Applicants submit that a "fund of funds" is a term of art and is well understood by those of skill. A fund of funds is an investment fund that invests in a plurality of individual investment funds. Its structure is well known, and can be summarized as follows:

Individual investors invest in a single fund (the fund of funds), the manager of which invests the investors' money in a plurality of funds, each of which contains a portfolio of companies in which they are invested.

The structure can be visualized as follows:



The latest issue of "Private Equity Funds-of-Funds, State of the Market," published annually by Asset Alternatives, Inc., publisher of the private investment industry's premier news periodical, the "Private Equity Analyst," estimates the total capital managed by private market funds of funds to be \$60 billion. It is apparent, therefore, that this is a term of art understood by

those of skill, and does not render the claim indefinite. Withdrawal of the rejection is respectfully requested.

It is Applicants' belief that all the rejections under §112 have been addressed and Applicants respectfully request withdrawal of these rejections.

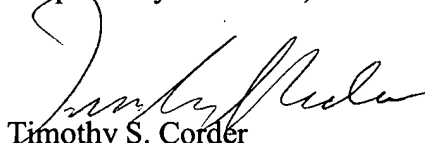
Rejections Under 35 USC §101

All rejections under §101 are overcome by the amendment as all pending claims recite technology within the body of the claim as suggested by the Examiner.

V. Conclusion

In light of the foregoing amendments and remarks, Applicants respectfully submit that all claims are in condition for allowance, and solicit an early indication to that effect. Should the Examiner have any questions regarding this response, she is invited to contact the undersigned representative at (512) 542-8446.

Respectfully submitted,



Timothy S. Corder
Registration. No. 38,414
Agent for Applicant

VINSON & ELKINS L.L.P.
2300 First City Tower
1001 Fannin Street
Houston, Texas 77002-6760
Ph: (512) 542-8446
Fax (512) 236-3377

Date: December 21, 2004